

12 May 1981

MEMORANDUM FOR: [] D/ICS
THROUGH: [] ADD/ICS
FROM: [] Director
National Collection Planning Office
SUBJECT: Intelligence on Foreign Narcotics Matters

1. This memorandum is to share with you my concern that the Intelligence Community is in some confusion on the issue of foreign narcotics intelligence. The moment may well be at hand when you should involve yourself personally to ascertain what our marching orders should be and to ensure that our activities are properly organized. []

2. The stimulus for current attention to foreign narcotics intelligence is a letter from Joseph Linnemann, the Acting Assistant Secretary of State for International Narcotics Matters to Admiral Inman dated 1 April (see attachment #1). Linnemann, after explaining the problems that result for him from current arrangements between the Drug Enforcement Administration (DEA) and the Intelligence Community, asked the DDCI to form a committee with the responsibility for coordinating the collection of foreign narcotics information and proposed the appointment of a NIO to oversee analysis on foreign narcotics matters. This letter obviously engaged Admiral Inman's interest and led to an exchange of correspondence between him and the Director of the Office of Political Analysis. In her last memorandum to the Admiral (see attachment #2), she provided at his request an outline of current coverage of the narcotics target and of the gaps that would exist if an attempt were made to comply with State's request for greater activity in this area. The outline, an appraisal of collection gaps, is not of the quality or specificity normally achieved by the Intelligence Community Staff whose job it normally is to prepare assessments of this sort. []

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State Dept. review completed

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3. [] met with Linnemann and other concerned persons on 29 April. At that meeting, [] volunteered to prepare a HUMINT tasking study and plan, and it is my understanding that this work has begun. Because at that same meeting Linnemann insisted he was also interested in the adequacy of SIGINT and PHOTINT collection, the National Collection Planning Office volunteered to prepare a parallel study. []

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4. Although NCPO had already planned--reorganization permitting--to do a multidisciplinary study on foreign narcotics matters during 1981, we have not yet begun any work. We fear that HTO's efforts may prove to be premature and distracting from the all-source study which is clearly needed. Many of the same organizations would be contacted for the information on which a study would be based. []

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5. At the Policy level there seems at least as much uncertainty as to just how to proceed as there is in the Intelligence Community. At State, Mr. Linnemann is only the Acting Assistant Secretary; five names are currently under consideration for the post. And the current Administrator of the Drug Enforcement Administration may well not be continued in his position. The NSC staffer for narcotics matters, Michael Ullmann, has not yet decided on his recommendations about how foreign narcotics matters are to be coordinated in the White House. And the final decisions about the division of responsibility between the DCI and the DEA have not yet been formalized in a successor to Executive Order 12036. The point here is that the current efforts on the part of Mr. Linnemann to stimulate activity could be overtaken by events and/or changed on short notice. []

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6. In this unsettled situation, it seems important that we ask ourselves three basic questions. First, does the DCI really wish to involve himself in what could well be a bureaucratic as well as an intelligence problem? What Mr. Linnemann is in effect asking the DDCI is to do battle on his behalf with DEA to get it to make its collection and analysis available to State, a dissemination, rather than a collection, problem; with Defense to get it to focus existing resources on narcotics matters, and with the DO (which has been turning over its operation against narcotics to DEA) to increase its level of effort against the narcotics target (in essence to compete with DEA in the field). []

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7. Second, what can the Intelligence Community legally do, and not do, in the narcotics area? To what extent are narcotics a law enforcement matter, from which intelligence

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should stay at arms length, as opposed to a legitimate intelligence activity? Presumably, the answer will not be clear until the successor to E.O. 12036 is signed. At a minimum, we should involve the Office of the General Counsel in whatever activity we undertake on narcotics to make certain we do not commit improprieties or suggest that intelligence get involved in activities that are beyond its charter. [REDACTED]

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8. Finally, is it really advisable that OPA, HTO, and NCPO all go off in their own separate directions if the Community is to take on the foreign narcotics intelligence problem? The answer is clearly no, for the problem is well beyond the scope of any of these offices, though NCPO comes closest to filling the bill. It involves, rather, all the collection disciplines and at least two offices in NFAC. And it concerns not only collection and analysis, but processing and dissemination. It strikes me, therefore, that it would be more appropriate to establish a special study committee, under ICS auspices and including all the concerned parties, if anything is to be done at all. [REDACTED]

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9. I trust that, in view of these many uncertainties and concerns, you will agree that you should personally involve yourself in this matter, first to discover what Admiral Inman has in mind, and then to designate a senior ICS person to take charge of whatever is to be done. [REDACTED]

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Attachments:
As Stated

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April 1, 1981

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Admiral B. R. Inman, USN
Deputy Director
Central Intelligence Agency
Washington, D. C.

Dear Admiral Inman:

International narcotics control initiatives continue to present our intelligence community with extraordinary challenges. During the past two years, the Department of State has had several exchanges with CIA, discussing critical problem areas and seeking a broader commitment from CIA for intelligence support on international narcotics and related matters (see attached correspondence.) Although there have been a number of notable improvements, there are three broad areas -- HUMINT collection, inter-agency coordination, and intelligence production -- where I believe further progress must be made if we are to meet the increasingly serious threats posed to the U.S. by the global narcotics problem.

The dimensions of our national narcotics problem are staggering. Heroin addiction rates, down for the last five years, again appear to be growing, fed by the massive increase in opium production in Southwest Asia over the past three years. The bumper crop production in Southeast Asia's Golden Triangle this year is expected to exacerbate this situation even further.

While heroin addiction and the unabated increase in cocaine and marijuana abuse are the manifest signs of our drug problems, its other implications are unfortunately equally serious to U.S. interests. The recent, excellent NFAC study on illicit drug finances in the Caribbean highlighted the corrosive effects that the billions of dollars generated in narcotics trafficking are having on our U.S. financial institutions. In our own country the illicit narcotics industry involves over \$75 billion a year, a figure which dwarfs the turnover of giant American corporations. We are only now beginning to understand the extent to which narcotics production and trafficking have become critical factors in the economies of numerous developing countries. Drug money is distorting development, corroding political institutions, and in some countries has become a major factor in the very stability of the government.

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Finally, there is growing evidence that drugs and the vast sums generated in trafficking are sometimes tied in directly and indirectly with the illicit arms business and the support of terrorist organizations, particularly in Latin America and the Middle East.

I am generally encouraged by the progress the CIA has made in several areas over the past year. The aforementioned study on narcotics financing was a major contribution to our understanding of the problem. Similarly, reporting on narcotics developments in Bolivia has been not only of the highest quality, but also essential to the development of a suitable U.S. policy toward La Paz.

I believe, however, that we still have serious intelligence gaps in many critical narcotics areas, including Southwest Asia and Europe, as well as the entire Caribbean and Latin American regions. Even in East Asia, where reporting on developments within the Golden Triangle was once the model for narcotics intelligence collection, we have noted a diminished effort, partially, we understand, as the result of personnel changes. I fully appreciate the extent to which resource constraints have posed an obstacle to developing more effective and comprehensive HUMINT collection programs in the past. I hope that with the current enhancement of intelligence community resources that an effort will be made to bridge these gaps.

There are some areas in which improvements can be made with the commitment of few additional resources. For example, a significant number of our intelligence problems are the result of poor coordination among collection efforts of different agencies. Although there has traditionally been relatively satisfactory coordination of CIA, NSA, Defense, and State narcotics intelligence collection, we have no effective mechanism for coordinating the activities of NFIB groups with such "non-traditional" intelligence collectors as the Drug Enforcement Administration, U.S. Customs Service, and those other law enforcement agencies which collect information as part of their mission. In the absence of such coordination, some critical narcotics targets are neglected, while there is a redundancy of efforts against others. These problems are compounded by the absence of any routinized dissemination of information collected by these agencies. For instance, as a result of CIA's reallocation of collection resources last year, DEA was given responsibility for a number of targets previously covered by CIA. Although the Memorandum of Understanding between CIA and DEA covering this transfer of responsibility provided that DEA would disseminate information on narcotics targets, neither the

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Department nor CIA has received any DEA information reports. The absence of information in these areas has seriously hampered analytic activities at State, and, I am certain at CIA as well.

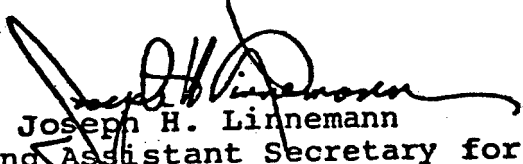
Executive Order 12036 (I-601, I-603, I-605 & I-803) implies the DCI has the authority to coordinate the collection of foreign narcotics intelligence. I recommend that an interagency committee with broad representation from the Executive Departments be formed under the authority of the DCI and charged with the responsibility of coordinating the collection of narcotics intelligence.

While I have concentrated on problems in the collection and coordination area, improvements here will have less value without concomitant improvement on the analysis and production side. The Department has benefitted from the development of a core of narcotics intelligence expertise within NFAC. The Strategic Narcotics Team in the Office of Geographic and Societal Research has no parallel in Washington as a producer of consistently high-quality assessments on narcotics production, and I strongly urge that its capabilities be enhanced to deal with other dimensions of the narcotics problem. We have also appreciated the other activities within NFAC, including the International Narcotics and Terrorism Analysis Center, which have produced assessments on the political and economic dimensions of international narcotics trafficking, but I am concerned whether these valued efforts will be continued.

Finally, I think that the production of foreign narcotics intelligence could be significantly improved by the appointment of a National Intelligence Officer responsible for coordinating assessments within the Intelligence Community of policy-related narcotics development. Such an NIO must be able to draw on the resources of DEA, Customs, and others as well as NFIB agencies.

I would welcome the opportunity to discuss these recommendations with you in detail.

Sincerely,


Joseph H. Linnemann
Acting Assistant Secretary for
International Narcotics Matters

Attachments

CC: P-Amb. Stoessel

INR-Mr. Spiers

INR/GIS-Mr. Wiant

INR-Mr. [unclear]

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POLITICAL ANALYSIS

Approved For Release 2007/02/08 : CIA-RDP83M00171R001500010001-0

D/OPA-8/252

APR 3 0 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence

THROUGH : Director, National Foreign Assessment Center

FROM : Helene L. Boatner
Director, Political Analysis

SUBJECT : International Narcotics

1. In response to your request, we have outlined the current coverage of the narcotics target and the gaps which would exist if an attempt were made to comply with State's request.

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In order to serve the policymaker, strategic intelligence analysis must build not only on political-economic reporting but also on an up-to-date knowledge of international narcotics production (cultivation and processing) and trafficking.

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The attached matrix, therefore, summarizes the current concentration and the most important existing gaps by function and agency. Basic US foreign intelligence requirements and categories 4.5.1 (Illicit drug production and trafficking) and 4.5.2 (Drug control activities, addiction levels, and national impact) establish a baseline for the matrix. "Current concentration" connotes that an agency has a collection or an analytical capability and produces against requirements at least occasionally. "Existing gaps" refer to situations where insufficient information precludes meaningful intelligence support to US policy objectives.

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Helene L. Boatner

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Attachment: As stated

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